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SUBJECT: UN IMPROVES - ONE REFORM AT A TIME

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¶1. Summary: For UN reform efforts, Mission Geneva has
focused on informing UN agencies of the U.S. goals outlined
in the UN Transparency and Accountability Initiative (UNTAI)
assessments. These clear benchmarks provide a focus for UN
reform and progress over the last six months in Geneva has
been steady. Since June, the fruit of our efforts include
gains in access to audit reports at ITU, ILO and WMO. Such
access to an audit report helped member states remove the
Director General of WIPO, a process that was completed in
September. The new WIPO Director General is moving forward
with a clear reform agenda as shown in his first two months
in office. Other improvements include a new access to
information policy at the ILO and the beginning of an open
discussion of program support costs. Summary procurement
information is still unavailable for most agencies and will
be a continuing focus for the mission. Details of each
agency's efforts are outlined below. End Summary.

International Labor Organization (ILO) Focus on Procurement

¶2. After repeated demarches by the U.S. Mission, the Director
General of the ILO established a management team for
transparency and accountability, which in turn established a
publications policy clearly stating that ILO documents are,
in principle, available to the public. This is a major shift
in sentiment since a GAO visit to the ILO in September 2006
found that access to documents was considered a privilege.
The transparency team created a link on the ILO website where
major administrative documents are posted, such as the
financial and staff regulations and ethics rules. Ethics
training has been implemented this budget biennium with an
interactive CD as well as small classes. In addition, the
Director General has approved a policy of access to audit
reports since August 2008. In principle, this also applies
to prior reports. This policy change accompanied the
appointment of a new head of the oversight office.

¶3. The disclosure policy has one weakness in that the
Director General, rather than the internal auditor, approves
redactions; however, the office has acknowledged that the
policy can be reviewed. The major missing component of the
public access to information practices at the ILO is in the
area of procurement information. While bids and procedures
are on the website, the actual contracts awarded are not.
The head of the transparency and accountability work team,
Executive Director for Administration Ms. O'Donovan,
acknowledges this gap and has committed to put more
procurement information onto the website. This point will be
a high priority for the United States as the ILO moves
forward with its building renovation program.

International Telecommunication Union (ITU) Focus on Program
Support Costs

¶4. During the USG's first UNTAI demarche in July 2007, ITU
Deputy Secretary General stated explicitly that the ITU would
not lead in any area of reform. Instead, he made a

commitment that the ITU would implement any reform that was approved or endorsed within the UN system. ITU fulfilled the first task under that commitment in November when the Council approved a change in the financial regulations to assure member state access to audit reports. The internal auditor noted that he strongly supported the policy as proposed by the Representatives of Internal Auditors of the UN System (RIAS). While the proposed guidelines state that members review the reports physically in the auditor's office, under the ITU's policy of eliminating paper documents, the office will consider emailing copies of reports. The auditor assured U.S. Mission officers that the default choice will be for transparency. This change to the ITU financial rules required a U.S. Mission submitted paper and about eight months of Mission effort. (Ref B)

¶5. In the general discussion of program support costs, ITU administration officials noted that when the fee for satellite filings was high, no one paid them. The new lower fee does not cover the full cost but the payment rate is higher. Also as one of the few agencies with a time tracking system (TTS) for projects, ITU does allocate personnel costs by project, however, this is considered burdensome and ineffective. With the new computer system that will arrive with accounting reform, a new TTS will be required.

World Meteorlogical Organization (WMO) Focus on Internal Auditor Recommendations:

¶6. Beginning in January 2009, the WMO internal auditor will have the authority and responsibility to review all Financial Disclosure Statements except the Secretary General,s. In the past, the SG has received financial statements, but he had never reviewed them. In an indication that WMO's senior management has heard the U.S. Mission's arguments in favor of a dedicated ethics officer, the SG has appointed the internal auditor as interim ethics officer. Meanwhile the WMO continues to explore other options, such as sharing an ethics office with other IOs. WMO is challenged in addressing required human resource issues because it has been without a Human Resources Officer for over a year. WMO is also losing its only lawyer. On a positive note the WMO reported at the October 2008 Audit Committee meeting that 80% of the internal auditor,s recommendations had been met and the remaining recommendations would soon be complete.

World Intellectual Property Organization (WIPO) Focus on Ethics and Human Resource Management Reform

¶7. The appointment of Francis Gurry in September as Director General of WIPO completed a year long process for the removal of Kamal Idris, the former Director General for fraud (Ref A). The ability for member states to access the agency's audit reports was essential in the removal. The new Director General is moving forward to address gaps in WIPO's ethics and financial disclosure policies. There is no training or financial disclosure system in place to date. These programs are being drafted and will be part of an overall reform of the human resources area over the next year. WIPO has serious overstaffing and performance management issues, as identified by a desk to desk audit, and human resources reform is a major issue for the improvement of management at WIPO.

World Health Organization (WHO) Needs an Audit Committee

¶8. The Mission's focus at the WHO for this session has been a push to have the WHO establish an audit committee. The WHO remains the only large organization in Geneva without one. After several demarches, and a coordinated effort at the World Health Assembly, the member states have placed the discussion of an audit committee on the agenda for the January Program, Budget and Administrative Committee (PBAC) meeting. The Secretariat discussion paper contains four options, two supporting further study, one supporting a

committee of member state representatives, and a fourth
option which would be an independent, expert audit committee.
 The Geneva Group oversight focal group has hosted two
meetings to support the discussion of the audit committee at
the WHO as well as hosting separate consultations with the
Secretariat. Reluctance remains both with the Secretariat
and with some member states primarily because of the WHO's
unpleasant experience with a prior committee of member
states' representatives. Geneva Group members are
coordinating in an effort to make further progress towards
the establishment of an Audit Committee between now and the
May World Health Assembly.

UNHCR Launches Software Interface to Improve Accountability
of its Activities

¶9.   UNHCR managers updated the USG on its reform efforts at
the December 1 USG-UNHCR End of Year Consultation (Ref C).
Key UNTAI progress for the past six months occurred in
September, when UNHCR established a fully independent ethics
office whose Director reports directly to the High
Commissioner and the Executive Committee and is responsible
for whistleblower and financial disclosure programs. During
an October 2008 mission to New York, UNHCR,s Director of
Organizational Development and Management established an
informal network with other UN agencies to share information
and best practices. In July 2008 UNHCR hired IBM to
recommend ways to streamline its human resource
administration; the Canadian Consultancy Funds subsequently
began a similar review of UNHCR,s Division of Information
Services and Telecommunications. The results of these
reviews should be delivered to UNHCR in January 2009.

¶10. In August, UNHCR issued a general "Terms of Reference for
Regional Offices" to guide its regionalization process and a
TOR for its internal Oversight Committee, expanding it to
include three outside experts. In an effort to improve the
transparency of program mission and priorities, UNHCR
headquarters will conduct a Global Needs Assessment (GNA), a
mapping of the total needs of populations of concern to UNHCR
for the 2010-2011 budget cycle. In January 2009 UNHCR should
launch its interface between FOCUS software (a tool that
simplifies reporting and enhances global data collection,
monitoring, budgeting and analysis) and its MSRP (Management
Systems Renewal Project) operating system, which has updated
the organization,s procedures and practices in two main
support services (finance and supply chain) as well as
improved accountability of its activities, both internally
and with its donors. In April and May of 2009, UNHCR will
begin consolidating its myriad training programs into a
Global Learning Center (planned to be located in Budapest)
and link staff training to career development. UNHCR will
also consider ways to reduce its headquarters cost,
particularly in its agreements with UNOG.

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